

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113
TUESDAY, JULY 12, 2005
7:30 A.M.**

Commissioners Present: Larry Hudkins, Chair
Deb Schorr, Vice Chair
Bernie Heier
Bob Workman
Ray Stevens

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Trish Owen, Chief Deputy County Clerk
Ann Taylor, County Clerk's Office

The Chair opened the meeting at 7:34 a.m.

AGENDA ITEM

**1 APPROVAL OF THE STAFF MEETING MINUTES OF THURSDAY,
JUNE 30, 2005**

MOTION: Stevens moved and Heier seconded approval of the Staff Meeting minutes dated July 7, 2005. Stevens, Workman, Heier and Hudkins voted aye. Schorr was absent from voting. Motion carried.

2 ADDITIONS TO THE AGENDA

- A. Request from Nebraska Association of County Officials (NACO) for County Board Representative on the Indigent Task Force
- B. Letter from Noakes Heating, Air Conditioning & Refrigeration of Beatrice Requesting an Extension for Registration as a Master Heating, Ventilating, Air Conditioning, Mechanical Contractor in Lancaster County (Exhibit A)
- C. County Wheel Tax
- D. Announcement by County Assessor Regarding Real Estate Value Base

MOTION: Stevens moved and Workman seconded approval of the additions to the agenda. Heier, Workman, Stevens and Hudkins voted aye. Schorr was absent from voting. Motion carried.

Schorr arrived at 7:39 a.m.

ADDITIONS TO THE AGENDA

- A. Request from Nebraska Association of County Officials (NACO) for County Board Representative on the Indigent Task Force

MOTION: Workman moved and Heier seconded to appoint Commissioner Stevens to serve as the County Board's representative on the Indigent Task Force. Heier, Workman, Schorr, Hudkins and Stevens voted aye. Motion carried.

- B. Letter from Noakes Heating, Air Conditioning & Refrigeration of Beatrice Requesting an Extension for Registration as a Master Heating, Ventilating, Air Conditioning, Mechanical Contractor in Lancaster County (Exhibit A)

MOTION: Heier moved and Stevens seconded to allow Building and Safety to review the application from Noakes Heating, Air Conditioning & Refrigeration of Beatrice and to make recommendation, as soon as possible. Heier, Stevens, Schorr, Workman and Hudkins voted aye. Motion carried.

- C. County Wheel Tax

Hudkins said Don Thomas, County Engineer, has indicated that the Rural-to-Urban Transition Streets (RUTS) Program may not need to be funded at the level that was originally anticipated. He said Thomas would like to see NACO's Study Committee and the State involved and believes the fuel tax could fund the program in the future.

Schorr noted that the ability of the cities and villages to access the funds has been discussed and said Jim Hrouda, Mayor of Hickman, has asked whether it would be on a pro-rata basis.

Workman said Thomas has identified East Beltway land acquisition as the number one priority.

Hudkins expressed concern regarding built-in increases in 2007 and 2010 and what he believes is an inequity on pickup trucks. He said there is \$500,000 in unallocated funds in the Keno Fund and suggested that it could be used as a one-time contribution to get the RUTS Program "up and running" while the County works to get the fuel tax in place.

D. Announcement by County Assessor Regarding Real Estate Value Base

Norm Agena, County Assessor/Register of Deeds, appeared and reported a three percent increase in the total real estate value base. He said the number does not include personal and centrally assessed property and does not take the property valuation protests into account.

3 BUDGET WORK SESSION - Dave Kroeker, Budget and Fiscal Officer

Dave Kroeker, Budget and Fiscal Officer, presented the following documents (Exhibits B, C & D):

- Computation of Treasurer's Net Fund Balance
- County Board Proposed Budget, FY05 Valuations & Tax Rates
- Lancaster County, Comparison FY06 to FY05 Expense Budget
- Lancaster County, Comparison FY06 to FY05 Revenue Budget
- Lancaster County Summary of Expenditure Requirements
- General Fund Expense Budget Summary
- General Fund Revenue Budget Summary
- General Fund Miscellaneous, General Government (612)

Kroeker recommended moving the amount indicated for the group insurance premium to the Contingency Fund and using it to fund that expense and on-going claims from Bryan/LGH Health System for Emergency Protective Custody (EPC).

- General Fund Miscellaneous, Justice System (628)
- General Fund Miscellaneous, Health & Human Services (805)
- Comparison of FY04 to Fy05 Obligation and FY05 Obligations to FY06 Requests

The budget impact of a retirement incentive was briefly discussed.

General budget discussion took place with the following proposals:

- Across-the-board departmental budget cuts in range of 5% to 10%
- Cut non-mandated programs
- Reduce the workforce
- Eliminate funding for the Lincoln-Lancaster Women's Commission
- Three-tiered reductions: 1) 1% reduction for all departments; 2) 3% reduction for departments with an increase greater than 20%; and 3) 5% reduction for departments with a dollar increase greater than \$250,000

Norm Agena, County Assessor/Register of Deeds, appeared and explained how the budget cuts would impact his department and the Board of Equalization.

Don Thomas, County Engineer, appeared and gave an overview of the following documents (Exhibits E & F):

- Highway Fund, Budget Worksheet Fiscal Year 2006
- Bridge Fund, Budget Worksheet Fiscal Year 2006

Thomas said there are three major impacts on his budget: 1) Steel prices; 2) Fuel costs; and 3) Decreased revenues. He said if reductions are necessary, new paving would be the first area of reduction (Old Cheney between 112th and 120th Street and Waverly Road between 141st and 148th) and motor graders would be next.

General discussion was held regarding the proposed county wheel tax and the RUTS Program. Thomas recommended that the City and County slow down the RUTS Program and its use of the funds and concentrate on the East Beltway. He said \$1.5 million should be enough to get started.

Stevens said a county wheel tax would raise approximately \$1.5 million and said half could be allocated to the East Beltway and a portion allocated to RUTS and specific projects designated by the Joint Public Agency (JPA).

Schorr asked whether variety of rates could be instituted, based upon the class of city.

Kerry Eagan, Chief Administrative Officer, said no, the state statutes dictate that it be a uniform rate.

Returning to General Budget Discussion

- Keno Fund, FY05 Proposed Keno Fund Budget

Kroeker said there is \$645,265 in unallocated funds.

Use of Keno funds for the following were discussed: 1) A case management system for the County Attorney and Public Defender's Offices; 2) Property tax relief; 3) Payment of past bills for General Assistance (GA); 4) The RUTS Program and East Beltway right-of-way acquisition.

- Lancaster County, Nebraska; Budget Worksheet for the Period Ending June 30, 2005

Board consensus was to reduce the Microcomputer Fund by \$75,000.

There was also Board consensus to raise the Inheritance Tax by \$400,000 and to place half of that amount in the cash reserves.

The Board asked Kroeker to calculate the savings from Schorr's three-tiered reduction proposal and to find out what the Drug Courts are costing the County.

MOTION: Stevens moved and Workman seconded to recess the meeting at 10:20 a.m. and to reconvene the meeting immediately following the 1:30 p.m. Board of Commissioners Meeting. Workman, Heier, Schorr, Stevens and Hudkins voted aye. Motion carried.

The Chair reconvened the meeting at 2:28 p.m.

Additional budget information was presented (Exhibits G & H):

- Correspondence from Dennis Keefe, Public Defender, Regarding the Contract with the Morris & Titus Law Firm for the Representation of Indigent Parents and Juveniles in the Separate Juvenile Court of Lancaster County

Kroeker said \$24,000 for the contract is not in the budget. He said he spoke with Judge Porter and she said she did not work on the Juvenile Court Budget but believes it will reduce the legal fees. Kroeker recommended moving \$24,000 from the Juvenile Court Budget into the Justice Miscellaneous Budget.

The Board concurred with the recommendation.

- Memorandum to Lancaster County Fire Districts

Kroeker recommended that the Board allocate up to .094052 of the \$0.15 cents to the Lancaster County Fire Districts.

MOTION: Schorr moved and Stevens seconded to send a memorandum to the Lancaster County Fire Districts, as outlined in the packet. Heier, Stevens, Schorr, Workman and Hudkins voted aye. Motion carried.

- County Board Proposed Budget, FY05 Valuations & Tax Rates

Kroeker said Agena has revised the increase for the total real estate value base to 3.75%. There is a 2.00% decrease in personal and centrally assessed for a total valuation increase of 3.42%. He said a tax rate of 0.2948 is now projected (a 5.4% increase). An additional reduction of \$1 million would reduce the rate to 0.2885; an additional reduction of \$1.5 million would reduce the rate to 0.2853; and an additional reduction of \$2 million would reduce the rate to 0.2822 (see Exhibit G, Page 5).

Agena appeared and said the total real estate value base figure may increase, depending on what happens with the Board of Equalization.

- Comparison of FY04 to FY05 Obligation and FY05 Obligations to FY06 Requests
(Revised to include columns for Schorr's three-tiered reductions)

Schorr said she revised her reduction proposal to have a 3%, rather than a 5%, reduction for departments with a dollar increase greater than \$250,000.

Heier exited the meeting at 2:50 p.m.

Board consensus was to send an e-mail to each of the department heads and their fiscal person, attaching Exhibit H and an explanation, and asking for a response. Those that indicate a problem with their budget reduction will be scheduled for a hearing before the Board.

The Board discussed the Board of Equalization budget with Agena and Trish Owen, Chief Deputy County Clerk.

Board consensus was to reduce the Board of Equalization Budget by \$50,000.

- P.C. Requests for FY06
- Wheel Tax; April, 2004 to March, 2005

Heier returned to the meeting at 3:43 p.m.

Returning to Discussion of Comparison of FY04 to FY05 Obligation and FY05 Obligations to FY06 Requests

- MOTION:** Stevens moved and Workman seconded to:
- 1) Invite the following agencies to discuss their budget reductions with the Board at the July 14, 2005 Staff Meeting:
 - Community Mental Health Center
 - Corrections
 - County Attorney
 - Juvenile Detention
 - County Sheriff
 - General Assistance (GA)
 - Community Corrections
 - 2) Send a letter to all other departments asking for a 1% reduction in their budget.

The Chair will contact the County Engineer and discuss his budget reductions.

ROLL CALL: Workman, Stevens, Schorr, Heier and Hudkins voted aye. Motion carried.

Returning to County Board Proposed Budget, FY05 Valuations & Tax Rates

The majority of the Board indicated a preference for \$2 million in reductions to get the tax rate to 0.2822.

MOTION: Stevens moved and Workman seconded to adjourn the meeting at 3:53 p.m. Workman, Schorr, Stevens, Heier and Hudkins voted aye. Motion carried.

Bruce Medcalf
Lancaster County Clerk